

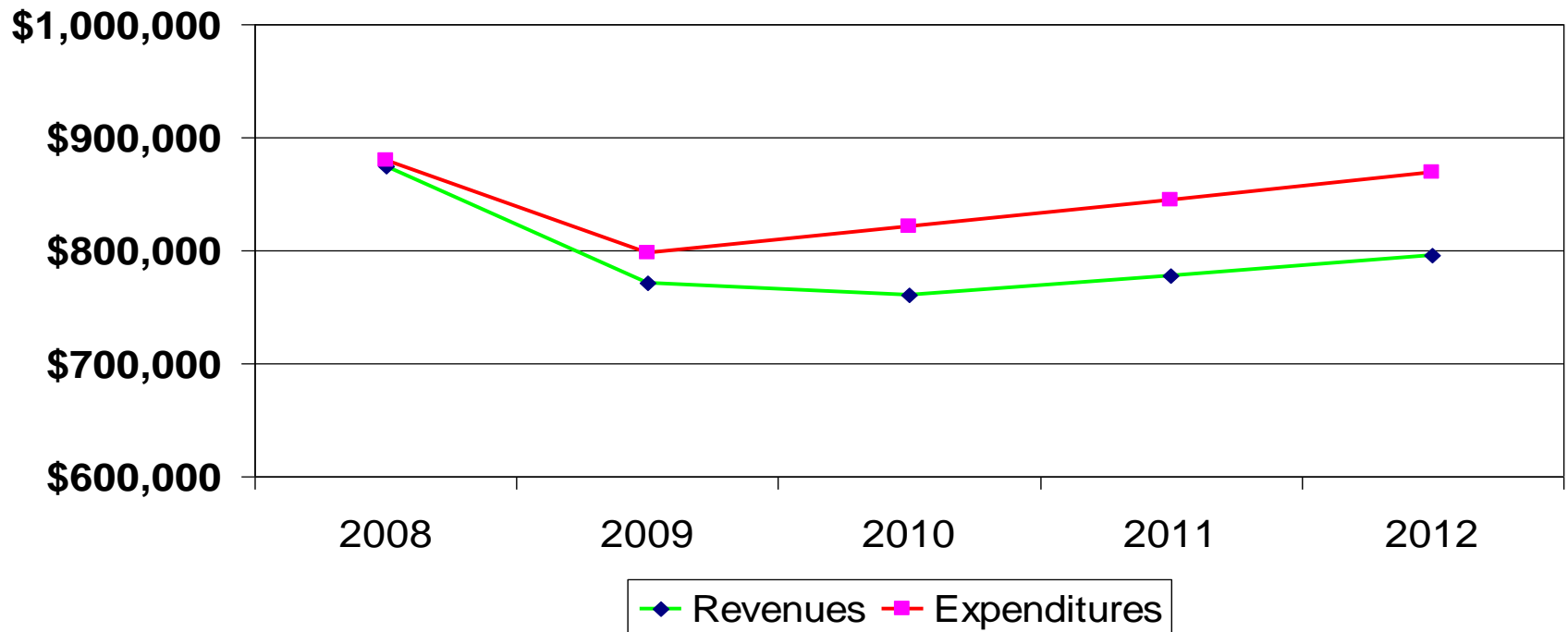
Quarterly Budget Review July 28, 2008

Agenda

- 5 Year Outlook
- 2008 Expenditures and Revenues
- Property Taxes
- Local Income Taxes
- 2009 Budget Preview

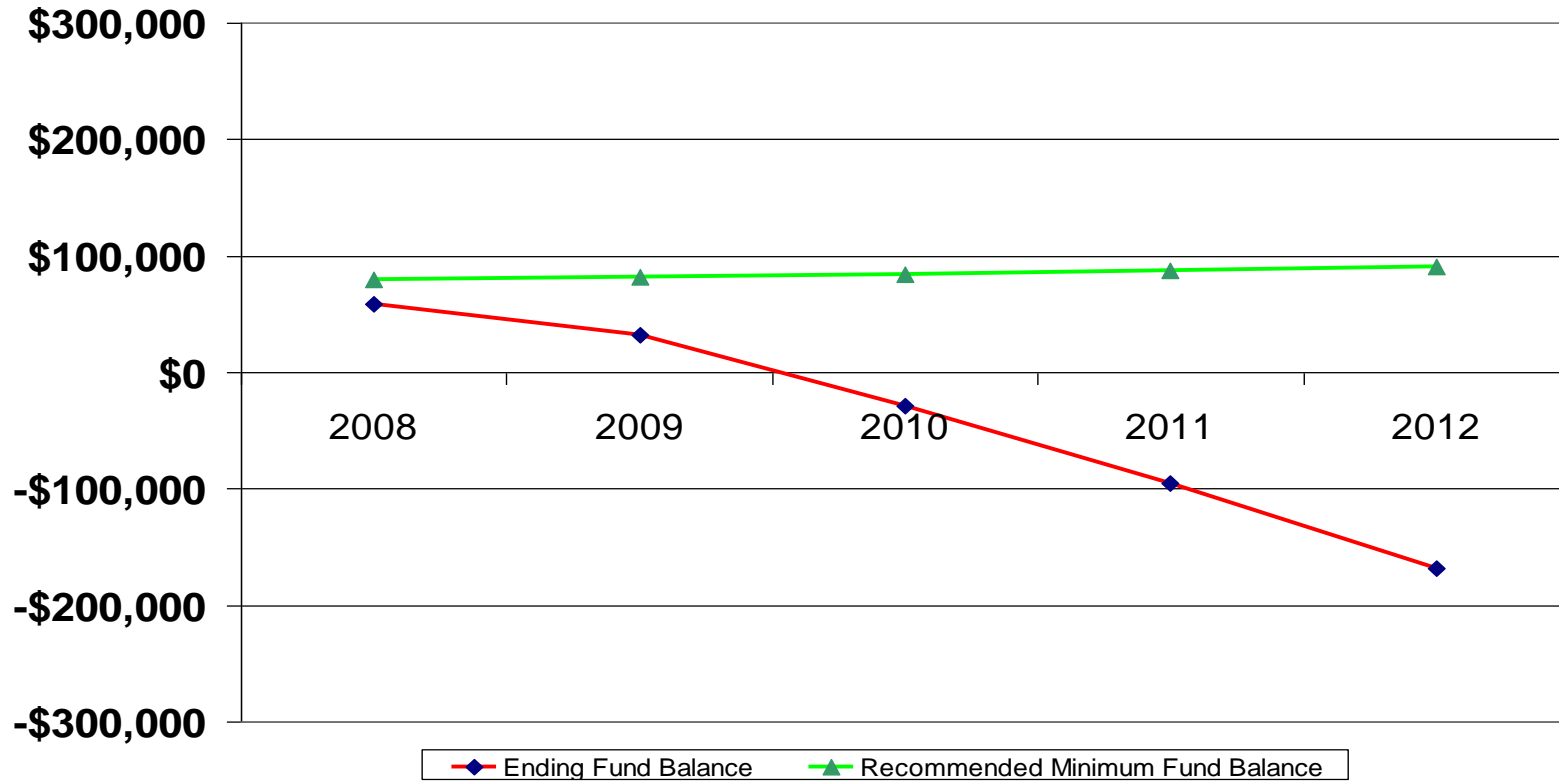
Expenditures Exceed Revenue

Property Tax Supported Funds Only
(\$ in thousands)



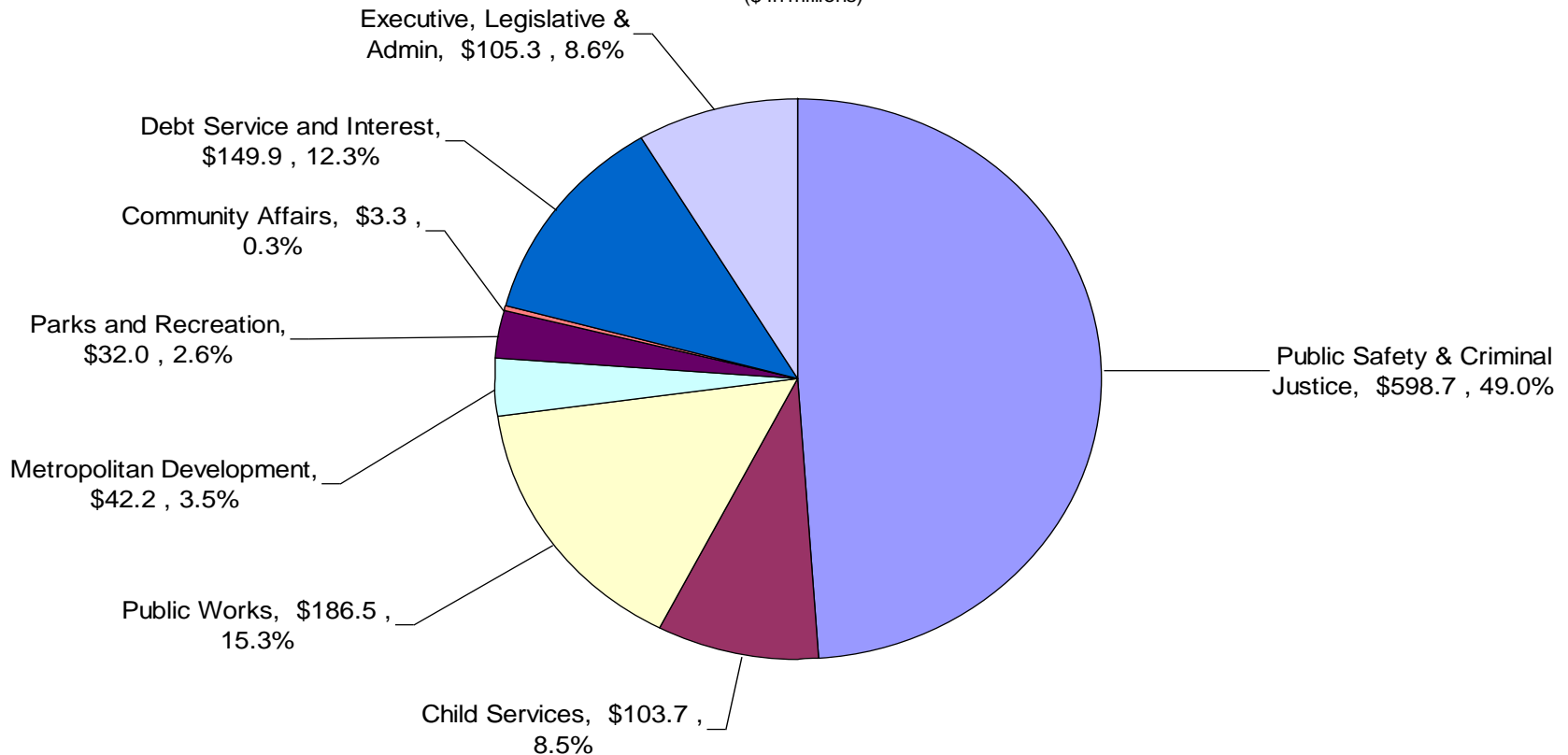
Fund Balances Projected Negative

Property Tax Supported Funds Only
(\$ in thousands)



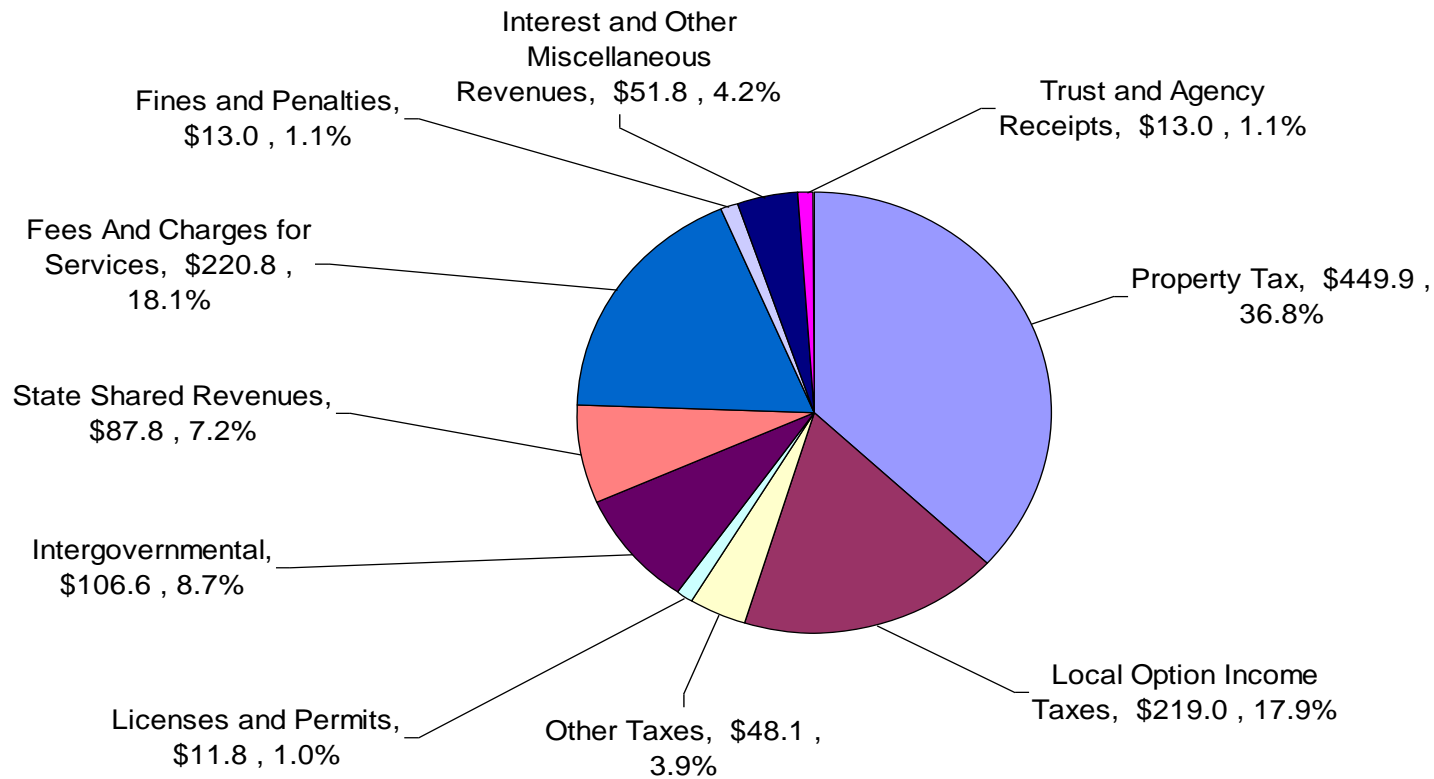
2008 Expenses by Function

(\$ in millions)



Source: Office of Finance & Management

2008 Revenues (\$ in millions)



Source: Office of Finance & Management

2008 Operating Budget

Adopted 2008 Budget	Adjust	2008 Adjusted Budget	5% Reserve	2008 Operating Budget
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City of Indianapolis and Marion County

Public Safety & Criminal Justice	\$ 578.5	\$ 22.5	\$ 601.0	\$ (2.3)	\$ 598.7
Child Services	103.7	0.0	103.7	(0.0)	103.7
Public Works	163.7	22.9	186.6	(0.1)	186.5
Metropolitan Development	43.2	0.6	43.8	(1.6)	42.2
Parks and Recreation	33.7	0.0	33.7	(1.7)	32.0
Community Affairs	3.5	0.0	3.5	(0.2)	3.3
Debt Service and Interest	171.2	(21.3)	149.9	(0.0)	149.9
Executive, Legislative & Admin	98.4	8.9	107.3	(2.0)	105.3
Total	\$ 1,195.8	\$ 33.6	\$ 1,229.5	\$ (7.9)	\$ 1,221.6

Property Tax Changes

- HEA1001-2008
- Increased State Homestead Credit in 2008
- Increased Homestead Standard Deduction
- New Supplemental Homestead Deduction
- Circuit Breakers – 1.5% residential, 2.5% apartments, 3.5% commercial in 2009;
1% residential, 2% apartments, 3% commercial in 2010
- Lost Revenues to local units

Property Tax Bills

- Pay(2007) Reconciliation Bill just finished
- Pay (2008) Tax Bill late this year
- Hope to be back on correct cycle by fall of 2009
- The late bills require local units to borrow

Interest Expense

- \$8.5 million in interest expense for 2007 and 2008 tax anticipation warrants
- \$234 millionCurrent balance of outstanding warrants
- Another \$154 million will need to be borrowed to cash flow the 2nd half of 2008

Local Income Taxes

- In 2007, City/County Council raised income taxes from 1% to 1.65%
- .45% dedicated to Public Safety
- .20% dedicated to freezing the property tax levy for all local units within Marion County other than schools
- The income tax for the levy freeze is a two year rate

2009 Budget Preview

- Tight revenue requires constrained spending
- Public Safety is Job #1
- Transportation Infrastructure investment
- Continued economic development
- Reduced administrative government



Questions?